

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 345

Citations Affected: IC 6-1.1-21-10.

Synopsis: Reversal of payment delays. Requires the reversal of part of the payment delays in the schedule under which: (1) property tax replacement credit and homestead credit amounts are distributed to taxing units; and (2) distributions to state educational institutions are made. Makes an appropriation. **(This conference committee report does the following: (1) Restores the reversal of certain payment delays to the amounts specified in the Senate passed version of SB 345. (2) Eliminates provisions added by the House of Representatives that would have: (A) delayed the start date for application of annual adjustments to assessed values until the 2007 assessment date; (B) required corporations under certain circumstances to add back to state adjusted gross income deductions taken on the corporation's federal income tax return for the corporation's intangibles expenses and directly related intangible interest expenses; and (C) provided an additional child welfare relief credit in 2006 against property tax liability imposed on a homestead. (3) Resolves technical conflicts with HEA 1040 and HEA 1134.)**

Effective: July 1, 2006; January 1, 2007.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 345 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
2 SECTION 1. IC 6-1.1-21-10, AS AMENDED BY HEA 1040-2006,
3 SECTION 139, AND AS AMENDED BY HEA 1134-2006, SECTION
4 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2007]: Sec. 10. (a) There is established a property tax
6 replacement fund board to consist of the commissioner of the
7 department, the commissioner of the department of local government
8 finance, the director of the budget agency, and two (2) ex officio
9 nonvoting representatives of the general assembly of the state of
10 Indiana. The speaker of the house of representatives shall appoint one
11 (1) member of the house as one (1) of the ex officio nonvoting
12 representatives, and the president pro tempore of the senate shall
13 appoint one (1) senator as the other ex officio nonvoting representative,
14 each to serve at the will of the appointing officer. The commissioner of
15 the department shall be the chairman of the board, and the director of
16 the budget agency shall be the secretary of the board.
17 (b) The schedule to be used in making distributions to county
18 treasurers during the periods set forth in section 4(b) of this chapter is
19 as follows:
20 January 0.00%
21 February 0.00%

1	March	16.70%
2	April	16.70%
3	May	0.00% 6.20%
4	June	0.00%
5	July	16.60% 10.40%
6	August	0.00%
7	September	16.70%
8	October	16.70%
9	November	16.60%
10	December	0.00%

11 The board may authorize the department to distribute the estimated
 12 distributions to counties earlier than what is required under section 4(b)
 13 of this chapter.

14 (c) The board is also authorized to transfer funds from the property
 15 tax replacement fund for the purpose of providing state tuition support
 16 distributions to school corporations as provided in IC 20-20-33 and
 17 IC 20-43.

18 **SECTION 2. [EFFECTIVE JULY 1, 2006] (a) The purpose of this**
 19 **SECTION is to reduce accrued payment delay balances that were**
 20 **created because of the amendment to IC 6-1.1-21-10 made by**
 21 **P.L.192-2002(ss), SECTION 43, to move the May distribution to**
 22 **July beginning with the May 2003 distribution and a continuation**
 23 **of the practice of delayed payments in subsequent years.**

24 (b) There is appropriated to the property tax replacement
 25 board one hundred thirty-six million five hundred thousand dollars
 26 (\$136,500,000) from the state general fund and the property tax
 27 replacement fund, in the percentage determined by the budget
 28 agency, for its use to distribute the amount of the increase in the
 29 May 2007 distribution required under IC 6-1.1-21-10, as amended
 30 by this act, beginning July 1, 2006, and ending June 30, 2007.

31 (c) A distribution described in subsection (b) raises the
 32 maximum permissible distribution for property tax replacement
 33 credits and homestead credits that may be made in the state fiscal
 34 year beginning July 1, 2006, and ending June 30, 2007, by the
 35 amount of the distribution.

36 (d) A distribution described in subsection (b) shall be treated as
 37 a distribution under IC 6-1.1-21 for the calendar year in which the
 38 distribution is made. An early additional distribution described in
 39 subsection (b) reduces the amount of the distribution that would
 40 otherwise have been made in July 2007 under IC 6-1.1-21-10, as
 41 effective before the amendment made by this act, by the amount of
 42 the additional distribution.

43 **SECTION 3. [EFFECTIVE JULY 1, 2006] (a) The purpose of this**
 44 **SECTION is to reduce accrued payment delay balances to state**
 45 **educational institutions and IHETS that were created because of**
 46 **the distribution of eleven-twelfths (11/12) of the budgeted amount**
 47 **in the state fiscal year ending June 30, 2002, and a continuation of**
 48 **the practice of delayed payments in subsequent state fiscal years**
 49 **through the state fiscal year ending June 30, 2005.**

(b) The following definitions apply throughout this SECTION:

(1) "IHETS" refers to the Indiana Higher Education Telecommunications System.

(2) "State educational institution" has the meaning set forth in IC 20-12-0.5-1.

(c) There is appropriated to the budget agency forty million dollars (\$40,000,000) from the state general fund for its use for general repair and rehabilitation or for repair and rehabilitation of dormitories or other student housing of state educational institutions, beginning July 1, 2006, and ending June 30, 2007, as follows:

INDIANA UNIVERSITY - TOTAL SYSTEM	\$15,667,060
PURDUE UNIVERSITY - TOTAL SYSTEM	10,795,022
INDIANA STATE UNIVERSITY	2,399,680
UNIVERSITY OF SOUTHERN INDIANA	1,225,670
BALL STATE UNIVERSITY	4,077,062
VINCENNES UNIVERSITY	1,190,030
IVY TECH COMMUNITY COLLEGE OF INDIANA	<u>4,645,476</u>
	\$40,000,000

(d) Notwithstanding P.L.246-2005, SECTION 32, after review by the budget committee, the budget agency shall distribute to a state educational institution after June 30, 2006, and before July 1, 2007, the amount appropriated to the state educational institution under subsection (c). The distributions under subsection (c):

(1) may be made in one (1) or more installments after June 30, 2006, and before July 1, 2007, on the schedule determined by the budget agency after review of the schedule by the budget committee; and

(2) shall be separately allotted.

(e) An appropriation under subsection (c) is in addition to the appropriations for general repair and rehabilitation made in P.L.246-2005, SECTION 32, or any other law. Notwithstanding any other law, an appropriation under subsection (c) does not revert to the general fund under IC 4-13-2-19.

(f) The amount appropriated under subsection (c), when distributed to a state educational institution, shall be treated as reducing any claim that the total system of the state educational institution has to one-twelfth (1/12) of the amount budgeted for the state educational institution in all line items in HEA 1001-2003, SECTION 9, for the state fiscal year ending June 30, 2005. Subject to subsection (g), the amount of the claim reduction for each state educational institution is equal to the amount distributed to the state educational institution. The amount of the claim reduction for the entire system and the amount apportioned for each institution individually shall be computed by the budget agency. The budget agency makes the final determination.

(g) An amount appropriated under subsection (c), when distributed to Indiana University, shall be treated as reducing any

1 **claim that IHETS has to one-twelfth (1/12) of the amount budgeted**
2 **for the IHETS in all line items in HEA 1001-2003, SECTION 9, for**
3 **the state fiscal year ending June 30, 2005. The amount of the claim**
4 **reduction is a part of the amount distributed to Indiana**
5 **University-Total System apportioned as determined by the budget**
6 **agency.**

(Reference is to ESB 345 as reprinted February 28, 2006.)

Conference Committee Report
on
Engrossed Senate Bill 345

Signed by:

Senator Meeks
Chairperson

Representative Espich

Senator Simpson

Representative Cochran

Senate Conferees

House Conferees